

**CARDIOL THERAPEUTICS INC.
(THE “CORPORATION”)**

MAJORITY VOTING POLICY

(Adopted by the Board of Directors of the Corporation on October 22, 2018.)

INTRODUCTION

In accordance with applicable corporate laws, and the Corporation’s By-Law as currently in effect, the directors of the Corporation are elected by a plurality vote, meaning that the directors receiving the highest number of votes “FOR” their election are elected to serve as directors, regardless of the number of votes “WITHHELD” in respect of such election.

In order to comply with the policies of the Toronto Stock Exchange, the board of directors (the “**Board**”) of the Corporation has adopted the following policy (the “**Policy**”) that is applicable solely to Uncontested Elections of directors. For the purposes of the Policy, the term “Uncontested Election” means an election of directors at a meeting of the Corporation’s shareholders where the number of nominees for election as directors is equal to the number of directors to be elected at such meeting.

The Board believes that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to review by the Board from time to time, and may be amended by majority vote of the Board for purposes of, among other things, complying with requirements of applicable securities regulatory agencies or stock exchanges, or so as to meet industry standards.

RESIGNATION OFFER FOR MAJORITY WITHHOLD VOTE

1. By accepting a nomination for election and agreeing to serve as a director of the Corporation in any Uncontested Election of Corporation directors, each nominee is deemed to have agreed that if more votes are “WITHHELD” from his or her election than votes “FOR” his or her election (a “**Majority Withhold Vote**”) in any such election, such director shall:
 - (a) following certification of the shareholder vote by the scrutineer at the meeting (the “**Scrutineer**”) for such Uncontested Election, immediately tender to the Board an offer to resign as a Corporation director (a “**Resignation Offer**); and
 - (b) be bound by this Policy and the determination of the Board with respect to such Resignation Offer made pursuant to this Policy. Any director who tenders a Resignation Offer pursuant to this Policy will not participate in any meeting of the board or any sub-committee of the board, or discussions, deliberations or actions by either the Corporate Governance and Compensation Committee or its equivalent in effect from time to time (the “**Committee**”) or the Board with respect to his or her own Resignation Offer, but will otherwise continue to serve as a director unless and until such Resignation Offer is accepted and becomes effective.

2. The Board shall accept the resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board. To assist the Board in making a determination with regard to exceptional circumstances, the Board will promptly refer a Resignation Offer to the Committee for consideration, unless the Corporation does not have a Committee or each member of the Committee has or is required under this Policy to make a Resignation Offer with respect to elections at the same shareholder meeting, in which case the Board will consider a Resignation Offer without reference to the Committee. In making a decision to recommend the acceptance or rejection of a Resignation Offer or additional actions as referenced herein, the Committee will generally be expected to recommend acceptance unless the Committee determines that there are extraordinary circumstances that justify delaying acceptance, pursuing additional actions or rejecting the Resignation Offer. In making its recommendation, the Committee may consider all factors it deems to be relevant.
3. Following the recommendation of the Committee, the Board will make a determination of the action to take with respect to the Resignation Offer, not later than the 90th day immediately succeeding the date of the written certification of the shareholder vote by the Scrutineer of the relevant securityholders' meeting. The Board shall accept the resignation absent exceptional circumstances, or reject the Resignation Offer, or it may decide to pursue additional actions, including, without limitation, the following:
 - (a) allow the director to remain on the Board and continue to serve but not be nominated for re-election to the Board at the next election of directors;
 - (b) defer the acceptance of the Resignation Offer until the director vacancy created by such resignation can be filled by the Board with a replacement/successor director, meeting all the necessary qualifications and criteria for Corporation directors (in accordance with the Corporation's Articles and Bylaws as the same may be amended, restated and/or supplemented from time to time) and satisfying all other legal and regulatory requirements with respect to the composition of the Board (such as "independence" and "financial literacy" requirements established by securities regulators or securities exchange listing requirements);
 - (c) defer the acceptance of the resignation if it is determined by the Board that the underlying cause of the Majority Withhold Vote can be cured by the director or otherwise within a specified period of time (for example, if the Majority Withhold Vote was due to the relevant director receiving such vote serving on the board of directors of another entity, by resigning from such other board); or
 - (d) defer the acceptance of the Resignation Offer for other reasons determined by the Board to be in the best interests of the Corporation in the exercise of its fiduciary duties and business judgment.
4. The Committee and the Board will evaluate any Resignation Offer in accordance with their fiduciary duties to, and in furtherance of the best interests of, the Corporation and its shareholders. In making a decision to accept or reject a Resignation Offer, the Board will be expected to accept it unless the Board determines that there are extraordinary circumstances that justify delaying acceptance or rejecting the Resignation Offer. In reaching its decision, the Board may consider all factors it deems to be relevant, including any Committee recommendation.

5. The Board's decision will be promptly disclosed in a news release furnished by the Corporation to the securities regulators and a copy of which shall be provided to the Toronto Stock Exchange ("**TSX**"). If the Board has decided to reject the Resignation Offer, or to pursue any additional action other than accepting the Resignation Offer (as described above or otherwise), then the news release must fully disclose the Board's reasons for doing so.

OTHER PROCEDURES

The Committee and Board may adopt such other procedures as it sees fit to assist in carrying out the intent of this Policy. The Corporation must fully describe the Policy on an annual basis in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on October 22, 2018 (the "**Effective Date**"), and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such Effective Date.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province.